

**REPORT OF THE AUDIT OF THE  
BOONE COUNTY  
SHERIFF**

**For The Year Ended  
December 31, 2010**



**ADAM H. EDELEN  
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## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE BOONE COUNTY SHERIFF**

**For The Year Ended  
December 31, 2010**

The Auditor of Public Accounts has completed the Boone County Sheriff's audit for the year ended December 31, 2010. Based upon the audit work performed, the financial statements present fairly, in all material respects, the revenues, and expenditures of the Sheriff and the revenues, expenditures, and fund balances of the Sheriff's operating fund and county fund with the State Treasurer in conformity with the regulatory basis of accounting.

In accordance with OMB Circular A-133, we have issued an unqualified opinion on the compliance requirements that are applicable to the Boone County Sheriff's major federal program: COPS Technology Program Grant (CFDA #16.710).

#### **Financial Condition:**

A fee official in counties with a population over 70,000 has two funds established with the state for the deposit of fees collected. Seventy-five percent (75%) of the fees collected are deposited in a Sheriff's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected are deposited to the county government fund and paid quarterly to the county government. These funds are closed at the end of each four-year term by paying the balances to the respective county government.

The Boone County Sheriff had total receipts of \$16,525,918, which was a \$4,790,541 decrease from the prior year. Except for reimbursed expenses in the amount of \$3,579,470 and fiscal court contributions of \$10,251,749, the Sheriff paid 25% of receipts to the Boone County Fiscal Court in the amount of \$653,970. This was an increase of \$68,992 from the prior year. In addition, disbursements increased by \$1,062,411.

#### **Deposits:**

The Sheriff's deposits were insured and collateralized by the Federal Deposit Insurance Corporation.



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**ADAM H. EDELEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable Gary W. Moore, Boone County Judge/Executive  
Honorable Michael A. Helmig, Boone County Sheriff  
Members of the Boone County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of revenues and expenditures - regulatory basis of the Sheriff of Boone County, Kentucky, and the statement of revenues, expenditures, and fund balances of the Sheriff's operating fund and county fund with the State Treasurer - regulatory basis for the year ended December 31, 2010. These financial statements are the responsibility of the Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Sheriff prepares the financial statements on a regulatory basis of accounting that demonstrates compliance with the laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the revenues and expenditures of the Sheriff and the revenues, expenditures, and fund balances of the Sheriff's operating fund and county fund with the State Treasurer for the year ended December 31, 2010, in conformity with the regulatory basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States and Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole

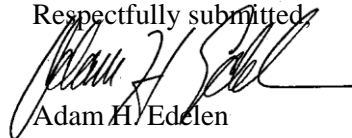


The Honorable Gary W. Moore, Boone County Judge/Executive  
Honorable Michael A. Helmig, Boone County Sheriff  
Members of the Boone County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2011 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the Sheriff and Fiscal Court of Boone County, Kentucky, and the Commonwealth of Kentucky and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Adam H. Edelen  
Auditor of Public Accounts

December 15, 2011



BOONE COUNTY  
MICHAEL A. HELMIG, SHERIFF  
STATEMENT OF REVENUES AND EXPENDITURES - REGULATORY BASIS

For The Year Ended December 31, 2010

Revenues

Federal Grants:

Bullet Proof Vest	\$ 14,578	
MCSAP Grant	6,722	
Governor's Highway Safety Grant	21,954	
COPS Technology Program Grant	340,000	
Edward Byrne Memorial Grant	32,996	
FY 2009 Recovery Act - Justice Assistance Grant Program	22,063	\$ 438,313

Federal Fees For Services:

Department of Justice	20,724	
FBI-JTTF	18,991	
IRS Task Force Reimbursements	35,624	
United States Marshal's Service	11,592	86,931

State Grants:

LSF-2009-00101	9,528	
LSF-2010-00144	6,669	16,197

State Fees for Services:

Kentucky Law Enforcement Foundation Program Fund (KLEFPF)	557,723	
Finance and Administration Cabinet	391,608	
NKYDSF	11,849	961,180

Circuit Court Clerk	4,207
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Fiscal Court	10,251,749
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County Clerk	135,042
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Commission on Taxes	3,557,788
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The accompanying notes are an integral part of the financial statements.

BOONE COUNTY  
MICHAEL A. HELMIG, SHERIFF  
STATEMENT OF REVENUES AND EXPENDITURES - REGULATORY BASIS  
For The Year Ended December 31, 2010  
(Continued)

Revenues (Continued)

Fees Collected for Services:

Auto Inspections	\$	70,368	
Accident and Police Reports		81	
Serving Papers		309,450	
Boone County School		60,400	
Carrying Concealed Deadly Weapon Permits		19,660	
Sheriff's Penalty and Advertising Fees		263,485	
Other Police Services		31,920	\$ 755,364

Other Revenues:

Impound		675	
Employee Share Health Insurance		163,179	
Service Charge - Ordinance #03-07		77,580	
Court Ordered Payments		10,319	
Miscellaneous		64,125	
Interest Earned		3,269	319,147

Total Revenues 16,525,918

Expenditures

Payments Made To County:

Service Charge - Ordinance #03-07	77,580
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Other Disbursements:

Miscellaneous	2,239	79,819
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Net Revenues 16,446,099

Payments to State Treasurer:

75% Operating Fund*	15,792,129	
25% County Fund	653,970	16,446,099

Balance Due at Completion of Audit \$ 0

\* Includes reimbursed expenses of \$13,831,219 for the audit period. See Note 1 of the Notes to the Financial Statements.

The accompanying notes are an integral part of the financial statements.

BOONE COUNTY  
MICHAEL A. HELMIG, SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND  
FUND BALANCES OF THE SHERIFF'S OPERATING FUND  
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS

For The Year Ended December 31, 2010

	75% Operating Fund	25% County Fund	Totals
Fund Balance - January 1, 2010	\$ (499,465)	\$	\$ (499,465)
<u>Revenues</u>			
Fees Paid to State - Operating Funds (75%)	15,792,129		15,792,129
Fees Paid to State - County Funds (25%)		653,970	653,970
Total Funds Available	\$ 15,292,664	\$ 653,970	\$ 15,946,634
<u>Expenditures</u>			
Boone County Government	\$	\$ 653,970	\$ 653,970
Personal Services-			
Officials Statutory Maximum	107,474		107,474
Deputies Salaries	6,773,850		6,773,850
Part-time Salaries	573,604		573,604
Office Staff Salaries	445,677		445,677
Resource Officers' Salaries	494,791		494,791
Kentucky Law Enforcement Foundation Program Fund	403,498		403,498
Employee Benefits-			
Employer's Share Social Security	610,475		610,475
Employer's Share Retirement	75,682		75,682
Employer's Share Hazardous Duty Retirement	2,596,497		2,596,497
Employer's Paid Health Insurance	1,758,110		1,758,110
Other Payroll Disbursements	129,369		129,369

The accompanying notes are an integral part of the financial statements.

BOONE COUNTY  
MICHAEL A. HELMIG, SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND  
FUND BALANCES OF THE SHERIFF'S OPERATING FUND  
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS  
For The Year Ended December 31, 2010  
(Continued)

	75% Operating Fund	25% County Fund	Totals
<u>Expenditures</u> (Continued)			
Contracted Services-			
Advertising	\$ 198	\$	\$ 198
Vehicle Maintenance and Repairs	531,067		531,067
Maintenance Agreements	3,800		3,800
Attorney Retainer	6,000		6,000
Other Contracted Services	2,528		2,528
Supplies and Materials-			
Office Materials and Supplies	18,494		18,494
Uniforms/Equipment	600,887		600,887
Data Processing	11,799		11,799
Deputy Expenses/Training	31,935		31,935
Transporting Prisoners	80,214		80,214
Other Charges-			
Dues	9,153		9,153
Postage	16,180		16,180
Medical Supplies	1,567		1,567
Phone	1,600		1,600
Miscellaneous	2,299		2,299
General Utilities/Rentals	5,567		5,567
Total Expenditures	15,292,315	653,970	15,946,285
Fund Balance - December 31, 2010*	\$ 349	\$ 0	\$ 349

\* Excess fees in the amount of \$349 were paid to the Fiscal Court on October 11, 2011.

The accompanying notes are an integral part of the financial statements.

BOONE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of revenues over expenditures to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount due from the Sheriff as determined by the audit.

KRS 64.350 establishes that a fee official in counties with a population over 70,000 has two funds with the State Treasurer for the deposit of fees collected. Seventy-five percent (75%) of the fees collected is deposited in a Sheriff's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected is deposited to the county fiscal court fund and paid to the fiscal courts, urban-county governments, or consolidated local governments of the respective counties quarterly no later than April 15, July 15, October 15, and January 15. These funds are closed at the end of each official term by paying the balances to the respective county government.

The financial statements have been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting revenues and expenditures are generally recognized when cash is received or disbursed with the exception of accrual of the following items (not all-inclusive) at December 31:

- Interest receivable
- Collection on accounts due from others for 2010 services
- Reimbursements for 2010 activities
- Tax commissions due from December tax collections
- Payments due other governmental entities for payroll
- Payments due vendors for goods or services provided in 2010
- Payroll expenditures incurred but not paid

The Attorney General issued a letter which stated that some revenues of the fee official offices could be considered reimbursed expenses. All reimbursed expenses are treated as revenue in the 75 percent fund.

BOONE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010  
(Continued)

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost-sharing, multiple-employer defined benefit pension plan that covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members.

Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 6 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 16.16 percent for the first six months and 16.93 percent for the last six months of the year.

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 9 percent of their salary to be allocated as follows: 8% will go to the member's account and 1% will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 32.97 percent for the first six months and 33.25 percent for the last six months of the year.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (member's age plus years of service must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008, aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report which is a matter of public record. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601-6124, or by telephone at (502) 564-4646.

Note 3. Deposits

The Boone County Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

BOONE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010  
(Continued)

Note 3. Deposits (continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the Sheriff's deposits may not be returned. The Boone County Sheriff does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of December 31, 2010, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 4. Additional Bank Accounts of the Boone County Sheriff

The Sheriff also maintains the following bank accounts:

A. Equipment Account - This account consists of money received from court judgments. This money is to be used for equipment purchases. The account had a beginning balance of \$2,826, receipts of \$23,857 and expenditures of \$26,284. The ending balance, as of December 31, 2010 was \$399.

B. Federal Forfeitures Account - This account consists of money received from the Federal Government for various cases involving Sheriff's Deputies working for the DEA. It is to be used for equipment and employee training. During 2010, the account had a beginning balance of \$44,010, receipts of \$112,590 and expenditures of \$152,360. The ending balance as of December 31, 2010, was \$4,240.

C. Flexible Spending Account - The Boone County Sheriff's Department established a Flexible Benefit Plan for its employees. This plan allows for pre-tax salary reductions for dependent care and health premiums. The Flexible Spending Account was created to handle all funds related to the plan offered by the Sheriff's Department. During 2010, the account had a beginning balance of \$1,098, receipts of \$0 and expenditures of \$0. The ending balance as of December 31, 2010 was \$1,098.

D. Payroll Account - This account was created by the Boone County Sheriff's Department to process payroll checks for the Sheriff's Department. After the Sheriff's Department adopted KRS 64.345, "Counties having population of 70,000 or more," salaries of each officer, his deputies, assistants and his office expenses shall be paid semimonthly by the State Treasurer upon the warrant of the Finance and Administration Cabinet. This account still has outstanding checks and will remain open until all checks are cleared or the allotted time has passed and funds are given to the state as unclaimed funds. During 2010, the account had a beginning balance of \$15,934, receipts of \$0 and expenditures of \$0. The ending balance as of December 31, 2010 was \$15,934.

E. Federal Forfeiture, Treasury Account - This account consists of money received from the Federal Government for various cases involving Sheriff's Deputies working for the IRS. It is to be used for equipment and employee training. During 2010, the account had a beginning balance of \$102,362, receipts of \$39,755 and expenditures of \$0. The ending balance as of December 31, 2010 was \$142,117.

BOONE COUNTY  
MICHAEL A. HELMIG, SHERIFF  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2010

CFDA Program Title	Pass-Through Number	Expenditures
<b><u>U.S. Department of Justice</u></b>		
<b>Direct Programs</b>		
16.607 Bulletproof Vest Partnership Program	Not Available	\$ 14,579
16.710 COPS Technology Program Grant *	2010CKWX0409	340,000
16.738 Edward Byrne Memorial Assistance Grant (JAG) Program	2010-DJ-BX-1447	32,996
16.804 FY 2009 Recovery Act - Justice Assistance Grant Program	2009-SB-B9-1362	22,063
16.N/A Drug Enforcement Administration - Reimbursement of Overtime	Not Available	17,135
16.N/A Federal Bureau of Investigation - Reimbursement of Overtime	Not Available	16,239
16.N/A United States Marshal Service - Reimbursement of Overtime	Not Available	11,592
16.N/A Federal Forfeiture Account	KY 00 80000	151,083
<b>Total U.S. Department of Justice</b>		<b>605,687</b>
<b><u>U.S. Department of the Treasury</u></b>		
<b>Direct Program</b>		
21.N/A Internal Revenue Service - Reimbursement of Overtime	Not Available	20,099
<b>Total U.S. Department of the Treasury</b>		<b>20,099</b>
<b><u>U.S. Department of Transportation</u></b>		
<b>Passed Through Commonwealth of Kentucky</b>		
<b>Transportation Cabinet, Office of Highway Safety:</b>		
20.600 Highway Safety Grant	PT-11-08	21,954
<b>Passed Through Commonwealth of Kentucky</b>		
<b>Justice and Public Safety Cabinet, Kentucky State Police:</b>		
20.218 Motor Carrier Safety Assistance Program - TACT (Ticketing Aggressive Cars and Trucks)	MCSAP 2010	12,196
<b>Total U.S. Department of Transportation</b>		<b>34,150</b>
<b>Total Cash Expenditures of Federal Awards</b>		<b>\$ 659,936</b>

\* - Tested as a major program.



BOONE COUNTY  
MICHAEL A. HELMIG, SHERIFF  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2010

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Sheriff of Boone County, Kentucky, and is presented on a modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2. Determination of Major Program

When determining the major programs, each memorandum of understanding was considered a separate program. The Type A program for the Sheriff's office is any program for which total expenditures of federal awards exceed \$300,000 for calendar year 2010. The COPS Technology Program Grant met the Type A program definition for calendar year 2010.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





**ADAM H. EDELEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable Gary W. Moore, Boone County Judge/Executive  
The Honorable Michael A. Helmig, Boone County Sheriff  
Members of the Boone County Fiscal Court

**Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of The Financial  
Statements Performed In Accordance With Government Auditing Standards**

We have audited the statement of revenues, expenditures, and excess fees - regulatory basis of the Boone County Sheriff for the year ended December 31, 2010, and have issued our report thereon dated December 15, 2011. The Sheriff's financial statement is prepared in accordance with a basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the Boone County Sheriff's office is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Boone County Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of The Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Boone County Sheriff's financials statement for the year ended December 31, 2010, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the Boone County Fiscal Court, the Department for Local Government, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Adam H. Edelen', with a stylized flourish at the end.

Adam H. Edelen  
Auditor of Public Accounts

December 15, 2011

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133







**ADAM H. EDELEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable Gary W. Moore, Boone County Judge/Executive  
The Honorable Michael A. Helmig, Boone County Sheriff  
Members of the Boone County Fiscal Court

**Report On Compliance With Requirements  
That Could Have A Direct And Material Effect On Each Major Program  
And On Internal Control Over Compliance In Accordance With OMB Circular A-133**

**Independent Auditors Report**

**Compliance**

We have audited the compliance of the Sheriff of Boone County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The Sheriff's major federal program is identified in the summary of auditor's results section of the accompany schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Boone County Sheriff. Our responsibility is to express an opinion on the Boone County Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Sheriff's compliance with those requirements.

In our opinion, the Boone County Sheriff complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major program for the year ended December 31, 2010.



Report On Compliance With Requirements  
That Could Have A Direct And Material Effect On Each Major Program  
And On Internal Control Over Compliance In Accordance With OMB Circular A-133  
(Continued)

Internal Control Over Compliance


Management of the Boone County Sheriff's office is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Sheriff's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Boone County Fiscal Court, the Department for Local Government, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Adam H. Edelen', with a stylized flourish at the end.

Adam H. Edelen  
Auditor of Public Accounts

December 15, 2011

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



BOONE COUNTY  
MICHAEL A. HELMIG, SHERIFF  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended December 31, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Boone County Sheriff.
2. No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report.
3. No instances of noncompliance material to the financial statements of Boone County Sheriff were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal awards programs are reported in the Independent Auditor's Report.
5. The auditor's report on compliance for the audit of the major federal awards programs for Boone County Sheriff expresses an unqualified opinion.
6. There are no findings relative to the major federal awards programs for Boone County Sheriff reported in Part C of this schedule.
7. The program tested as a major program was: COPS Technology Program Grant (CFDA # 16.710).
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Boone County Sheriff was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM  
AUDIT

None.



